

1 SECTION 35. 77.53 (17r) (f) of the statutes is amended to read:

2 77.53 (17r) (f) If the owner or lessee is an estate, ^atrust ~~or~~ ^acooperative, ^aor ^{an}
3 unincorporated cooperative association; that estate, that trust and its grantor ~~or~~ that
4 cooperative or association does not have real property or other tangible personal
5 property; except aircraft and such property as hangars, accessories, attachments,
6 fuel and parts required for operation of aircraft; in this state at the time the aircraft
7 is registered in this state.

8 SECTION 36. 91.19 (6) of the statutes is amended to read:

9 91.19 (6) The department shall release from a farmland preservation
10 agreement any land acquired for use as an electric generating facility authorized
11 under s. 196.491 (3), or which involves acquisition of the fee by a utility or a
12 cooperative organized under ch. 185 or 193 for purposes of generating electricity or
13 other utility uses.

14 SECTION 37. 93.01 (2) of the statutes is amended to read:

15 93.01 (2) "Cooperative association" includes cooperatives and foreign
16 cooperatives as defined in ~~s. ss.~~ 185.01 and 193.005.

17 SECTION 38. 93.06 (4) of the statutes is amended to read:

18 93.06 (4) LAW ENFORCEMENT. At the request of the attorney general or of any
19 district attorney, assist in the enforcement of any of the following statutes relating
20 to trade: ss. 133.03 to 133.07, 133.10, 133.12 to 133.15, 133.17, 134.01, 185.94,
21 193.105, 784.04 and 939.31.

22 SECTION 39. 93.06 (5) of the statutes is amended to read:

23 93.06 (5) PUBLIC MARKETS; COOPERATIVE ASSOCIATIONS. (a) Give assistance in the
24 organization, operation or reorganization of such public markets as are authorized
25 by law, and of cooperative associations and unincorporated cooperative associations.

1 (b) By general order, prescribe uniform systems of accounting for public
2 markets or cooperative associations and unincorporated cooperative associations,
3 and may, by general or special order, require any such market or cooperative
4 association to render report, in form indicated by the department, to show the nature
5 and volume of business, resources, liabilities, profits, losses and any other facts
6 bearing upon the financial condition of the market or cooperative association.

7 **SECTION 40.** 93.06 (6) (a) to (c) of the statutes are amended to read:

8 93.06 (6) COOPERATIVES. (a) By general or special order, require any cooperative
9 association or unincorporated cooperative association doing business in this state to
10 file with the department a verified copy of its bylaws and of any exclusive contract
11 of sale or agency between the association and its members or patrons.

12 (b) Investigate the management of any cooperative association or
13 unincorporated cooperative association doing business in this state, and make the
14 facts relating to the management of the cooperative association available to the
15 members of the association, when a request for a management investigation has
16 been filed with the department, signed by all of the directors or by at least 20% of the
17 members of associations of less than 500 members or by at least 100 members of
18 associations of 500 or more members. The department shall fix and collect a fee for
19 investigations under this paragraph, which shall be the actual cost of the
20 investigation.

21 (c) By general or special order, require any cooperative association or
22 unincorporated cooperative association doing business in this state or in the process
23 of organization to file with the department a report of its promotion expenses.

24 **SECTION 41.** 93.41 (3) of the statutes is amended to read:

93.41 (3) The department shall impose annual fees upon rural electric cooperatives organized under ch. 185 or 193. The amount of the fees shall total the amount appropriated under s. 20.115 (3) (jm). The fees received under this subsection shall be credited to the appropriation account under s. 20.115 (3) (jm).

SECTION 42. 94.67 (5) (a) (intro.) of the statutes is amended to read:

94.67 (5) (a) (intro.) "Commercial application business" means a corporation, limited liability company, cooperative association, unincorporated cooperative association, partnership, natural person doing business as a sole proprietor or other nongovernmental business entity that does either of the following:

SECTION 43. 96.01 (8) of the statutes is amended to read:

96.01 (8) "Member-patron" means a person who is a member of a cooperative under ch. 185 or 193 and whose products are marketed through that cooperative.

SECTION 44. 96.08 (3) (b) of the statutes is amended to read:

96.08 (3) (b) A cooperative association or unincorporated cooperative association engaged in the marketing of affected commodities as the agent of its members may cast a bloc vote or assent for its members, except that it shall exclude from its bloc vote or assent any of its members who are also member-patrons of another cooperative or unincorporated cooperative association which intends to cast a bloc vote or assent for those members.

SECTION 45. 97.32 (1) of the statutes is amended to read:

97.32 (1) Special dairy and food inspectors may be appointed by the department for any factory, plant, receiving station, or group thereof, which buys or receives milk or cream for the purpose of manufacturing, processing or any other purpose whatsoever, upon petition therefor signed by more than two-thirds of the regular patrons of such factory, plant, receiving station, or group thereof, or by the

1 officers of such factory, plant, receiving station or group thereof, or of the officers of
2 any association organized under ch. 185 or 193 representing patrons of such factory,
3 plant, receiving station or group thereof, and upon receiving satisfactory proof that
4 such special dairy and food inspectors will be compensated in full for all services
5 rendered and traveling expenses incurred upon and pursuant to such appointment
6 as provided in this section. If the inspector is appointed pursuant to petition signed
7 by the officers of an organization, such compensation and expenses shall be paid by
8 such organization; and any factory, plant, receiving station or group thereof shall pay
9 to the association the checkoff as contracted for between the member and the
10 association. If appointed pursuant to petition signed by patrons, each patron of the
11 factory, plant, receiving station or group thereof shall pay such proportion of the total
12 amount of such compensation and expenses as the amount of milk or cream delivered
13 thereto by the patron bears to the total amount delivered thereto by all patrons. The
14 state shall not be liable for any such compensation or expenses.

15 **SECTION 46.** 97.32 (3) of the statutes is amended to read:

16 97.32 (3) Each such special dairy and food inspector shall have all powers
17 conferred by law upon dairy and food inspectors, shall at all times be under the
18 supervision of the department and shall make such reports to the department as the
19 department may require. The special dairy and food inspector shall supervise and
20 inspect the weighing and testing of and shall inspect all milk, cream, butter or cheese
21 delivered to such factory, plant, receiving station or group thereof, except that if the
22 special dairy and food inspector be appointed upon petition by an association
23 organized under ch. 185 or 193, the special dairy and food inspector shall perform
24 duties only for its members, and for such purpose the special dairy and food inspector
25 may use any or all weighing or testing apparatus in such factory, plant, receiving

1 station or group thereof. In addition to the duties herein specifically prescribed, the
2 special dairy and food inspector shall perform such duties as the patrons or
3 organization compensating the special dairy and food inspector or the department
4 may direct.

5 **SECTION 47.** 99.02 (2) (d) of the statutes is amended to read:

6 99.02 (2) (d) A cooperative association ^{an} or unincorporated cooperative
7 association storing farm products and merchandise for members.

8 **SECTION 48.** 100.201 (1) (b) 2. of the statutes is amended to read:

9 100.201 (1) (b) 2. For the purpose of this section any subsidiary or affiliate
10 corporation, limited liability company ~~or~~ cooperative, or unincorporated cooperative
11 association, and any officer, director, partner, member or manager of a corporation,
12 cooperative, unincorporated cooperative association, partnership or limited liability
13 company which is a retailer of selected dairy products, and any individual,
14 corporation, cooperative, unincorporated cooperative association, partnership,
15 limited liability company, association or any other business unit which owns,
16 controls or franchises any retailer or which has any retailer as an affiliate, member
17 or subsidiary, is deemed to be a retailer of selected dairy products and the
18 prohibitions of sub. (2) shall also apply to any such person or business unit which
19 sells any selected dairy product at wholesale.

20 **SECTION 49.** 100.201 (1) (f) 2. of the statutes is amended to read:

21 100.201 (1) (f) 2. For the purpose of this section any subsidiary or affiliate
22 corporation, limited liability company ~~or~~ cooperative, or unincorporated cooperative
23 association, and any officer, director, partner, member or manager of a corporation,
24 cooperative, unincorporated cooperative association, partnership or limited liability

1 company which is a wholesaler of selected dairy products, is deemed to be a
2 wholesaler of selected dairy products.

3 **SECTION 50.** 103.46 (2) ^X of the statutes is amended to read:

4 103.46 (2) A contract or agreement for the sale of agricultural, horticultural or
5 dairy products between a producer of those products and a distributor or purchaser
6 of those products, in which either party to the contract or agreement undertakes or
7 promises not to join, become or remain a member of any cooperative association
8 organized under ch. 185 [✓] or 193 or of any trade association of the producers,
9 distributors or purchasers of those products.

10 **SECTION 51.** 108.02 (2) (dm) ^X of the statutes is amended to read:

11 108.02 (2) (dm) In the employ of a group of operators of farms, or a cooperative
12 organization or unincorporated cooperative association [✓] of which operators of farms
13 are members, in the performance of service described in par. (d), but only if such
14 operators produced more than one-half of the commodity with respect to which such
15 service is performed.

16 **SECTION 52.** 111.01 (2) ^X of the statutes is amended to read:

17 111.01 (2) Industrial peace, regular and adequate income for the employee, and
18 uninterrupted production of goods and services are promotive of all of these
19 interests. They are largely dependent upon the maintenance of fair, friendly and
20 mutually satisfactory employment relations and the availability of suitable
21 machinery for the peaceful adjustment of whatever controversies may arise. It is
22 recognized that certain employers, including farmers [✓] and, farmer cooperatives, and
23 unincorporated farmer cooperative associations [✓], in addition to their general
24 employer problems, face special problems arising from perishable commodities and
25 seasonal production which require adequate consideration. It is also recognized that

1 whatever may be the rights of disputants with respect to each other in any
2 controversy regarding employment relations, they should not be permitted, in the
3 conduct of their controversy, to intrude directly into the primary rights of third
4 parties to earn a livelihood, transact business and engage in the ordinary affairs of
5 life by any lawful means and free from molestation, interference, restraint or
6 coercion.

7 **SECTION 53.** 126.01 (18) of the statutes is amended to read:

8 126.01 (18) "Person," notwithstanding s. 990.01 (26), means an individual,
9 corporation, cooperative, unincorporated cooperative association, partnership,
10 limited liability company, trust, state agency, as defined in s. 20.001 (1), local
11 governmental unit, as defined in s. 66.0131 (1) (a), or other legal entity.

12 **SECTION 54.** 126.11 (3) (b) of the statutes is amended to read:

13 126.11 (3) (b) A statement of whether the applicant is an individual,
14 corporation, partnership, cooperative, unincorporated cooperative association,
15 limited liability company, trust, or other legal entity. If the applicant is a corporation
16 or cooperative, or association, the applicant shall identify each officer of the
17 corporation or cooperative. If the applicant is a partnership, the applicant shall
18 identify each partner.

19 **SECTION 55.** 126.26 (2) (b) of the statutes is amended to read:

20 126.26 (2) (b) A statement of whether the applicant is an individual,
21 corporation, partnership, cooperative, unincorporated cooperative association,
22 limited liability company, trust, or other legal entity. If the applicant is a corporation
23 or cooperative, or association, the applicant shall identify each officer of the
24 corporation or cooperative. If the applicant is a partnership, the applicant shall
25 identify each partner.

1 **SECTION 56.** 126.41 (2) (b) of the statutes is amended to read:

2 126.41 (2) (b) A statement of whether the applicant is an individual,
3 corporation, partnership, cooperative, unincorporated cooperative association,
4 limited liability company, trust, or other legal entity. If the applicant is a corporation
5 or ^acooperative, or ^{an}association, the applicant shall identify each officer of the
6 corporation or cooperative. If the applicant is a partnership, the applicant shall
7 identify each partner.

8 **SECTION 57.** 126.56 (3) (b) of the statutes is amended to read:

9 126.56 (3) (b) A statement of whether the applicant is an individual,
10 ^acorporation, ^apartnership, ^acooperative, ^{an}unincorporated cooperative association,
11 ^alimited liability company, trust, or other legal entity. If the applicant is a corporation
12 or ^acooperative, or ^{an}association, the application shall identify each officer of the
13 corporation or cooperative. If the applicant is a partnership, the application shall
14 identify each partner.

15 **SECTION 58.** 126.56 (9) (h) of the statutes is amended to read:

16 126.56 (9) (h) Whether the applicant is a producer-owned cooperative or
17 unincorporated cooperative association or organization that procures vegetables
18 solely from its producer owners on the basis of a cooperative marketing method
19 under which the producer-owned cooperative, unincorporated cooperative
20 association, or organization pays its producer owners a prorated share of sales
21 proceeds for the marketing year after a final accounting and the deduction of
22 marketing expenses.

23 **SECTION 59.** 126.57 (1) (b) 2. of the statutes is amended to read:

1 126.57 (1) (b) 2. The vegetable contractor is a producer-owned cooperative or
2 unincorporated cooperative association or organization that procures processing
3 vegetables only from its producer owners.

4 **SECTION 60.** 126.58 (1) [✓](c) 2. of the statutes is amended to read:

5 126.58 (1) (c) 2. The vegetable contractor is a producer-owned cooperative or
6 unincorporated cooperative association [✓]that procures processing vegetables only
7 from its producer owners.

8 **SECTION 61.** 126.59 (1) [✓](c) of the statutes is amended to read:

9 126.59 (1) (c) The vegetable contractor is a producer-owned cooperative or
10 unincorporated cooperative association [✓]that procures processing vegetables only
11 from its producer owners.

12 **SECTION 62.** 126.61 (1) [✓](c) 2. of the statutes is amended to read:

13 126.61 (1) (c) 2. The vegetable contractor is a producer-owned cooperative or
14 unincorporated cooperative association [✓]that procures processing vegetables only
15 from its producer members.

16 **SECTION 63.** 133.07 (1) [✓]of the statutes is amended to read:

17 133.07 (1) This chapter shall not prohibit the existence and operation of labor,
18 agricultural or horticultural organizations, instituted for the purpose of mutual
19 help, and not having capital stock or conducted for profit, or organizations permitted
20 under ch. 185 [✓]or 193; shall not forbid or restrain individual members of such
21 organizations from lawfully carrying out the legitimate objects thereof; and such
22 organizations, or the members thereof, shall not be held or construed to be illegal
23 combinations or conspiracies in restraint of trade, under this chapter. The labor of
24 a human being is not a commodity or article of commerce.

25 **SECTION 64.** [✓]133.09 of the statutes is amended to read:

1 **133.09 Collective bargaining.** This chapter shall be so construed as to
2 permit collective bargaining by associations of producers of agricultural products, by
3 organizations permitted under ch. 185 or 193 and by associations of employees when
4 such bargaining is actually and expressly done for the individual benefit of the
5 separate members of each such association making such collective bargain.

6 **SECTION 65.** 134.04 (1) of the statutes is amended to read:

7 134.04 (1) No person, firm or corporation engaged in any enterprise in this
8 state shall by any method or procedure directly or indirectly by itself or through a
9 subsidiary agency owned or controlled in whole or in part by such person, firm or
10 corporation, sell or procure for sale or have in its possession or under its control for
11 sale to its employees or any person any article, material, product or merchandise of
12 whatsoever nature not of the person's, firm's or corporation's production or not
13 handled in the person's, firm's or corporation's regular course of trade, excepting
14 meals, candy bars, cigarettes and tobacco for the exclusive use and consumption of
15 such employees of the employer, and excepting tools used by employees in said
16 enterprise and such specialized appliances and paraphernalia as may be required in
17 said enterprise for the employees' safety or health and articles used by employees or
18 other persons which insure better sanitary conditions and quality in the
19 manufacture of food or food products. The provisions of this subsection shall not
20 apply to lumber producers, loggers and dealers nor to any cooperative association
21 organized under ch. 185 or 193. This section shall not be construed as authorizing
22 the sale of any merchandise at less than cost as defined in s. 100.30.

23 **SECTION 66.** 136.01 (1) of the statutes is amended to read:

24 136.01 (1) "Contractor" means a person who offers for profit a future service
25 contract to a prospective customer, or who enters into a future service contract with

1 a customer, except a cooperative organized under ch. 185 or 193. Such person
2 includes, but is not limited to, an individual, partnership, limited liability company,
3 unincorporated association, or corporation. A “contractor” includes, but is not
4 limited to, buyers clubs, guilds, plans and guides.

5 **SECTION 67.** 177.015 of the statutes is amended to read:

6 **177.015 Exemption.** Notwithstanding this chapter, a cooperative organized
7 under ch. 185 or 193 may effect the forfeiture to the cooperative of unclaimed funds
8 as provided in ss. 185.03 (10) and, 185.75 (1), 193.301 (14), and 193.905 (4).

9 **SECTION 68.** 178.42 (3) (a) of the statutes is amended to read:

10 178.42 (3) (a) The name of any other domestic or foreign corporation,
11 cooperative, unincorporated cooperative association, registered limited liability
12 partnership, limited partnership, or limited liability company existing, registered or
13 licensed to transact business under the laws of this state.

14 **SECTION 69.** 178.42 (3) (b) of the statutes is amended to read:

15 178.42 (3) (b) Any name reserved or registered under ch. 179, 180, 181, 183 or,
16 185, or 193.

17 **SECTION 70.** 180.0103 (8) of the statutes is amended to read:

18 180.0103 (8) “Entity” includes a domestic corporation; a foreign corporation;
19 a limited liability company; a nonstock corporation; a stock or nonstock cooperative
20 association; an unincorporated cooperative association; a profit or nonprofit
21 unincorporated association; a business trust; an estate; a partnership; a trust; 2 or
22 more persons having a joint or common economic interest; a state or an agency,
23 commission, department, authority, bureau or other instrumentality of a state; a
24 governmental subdivision; the United States; and a foreign government.

25 **SECTION 71.** 180.0401 (2) (a) 7. of the statutes is amended to read:

1 180.0401 (2) (a) 7. The name of a cooperative association ^{an} or unincorporated
2 cooperative association incorporated or authorized to transact business in this state.

3 SECTION 72. 180.0401 (3) (a) of the statutes is amended to read:

4 180.0401 (3) (a) The other corporation or the foreign corporation, limited
5 liability company, nonstock corporation, limited partnership, limited liability
6 partnership ~~or~~ cooperative association, or unincorporated cooperative association
7 consents to the use in writing and submits an undertaking in a form satisfactory to
8 the department to change its name to a name that is distinguishable upon the records
9 of the department from the name of the applicant.

10 SECTION 73. 180.1506 (2) (a) 7. of the statutes is amended to read:

11 180.1506 (2) (a) 7. The name of a cooperative association ^{an} or unincorporated
12 cooperative association incorporated or authorized to transact business in this state.

13 SECTION 74. 180.1506 (3) (a) of the statutes is amended to read:

14 180.1506 (3) (a) The other foreign corporation or the domestic corporation,
15 limited liability company, nonstock corporation, limited partnership, limited
16 liability partnership ~~or~~ cooperative association, or unincorporated cooperative
17 association consents to the use in writing and submits an undertaking in a form
18 satisfactory to the department to change its name to a name that is distinguishable
19 upon the records of the department from the name of the applicant.

20 SECTION 75. 181.0401 (2) (a) 3. of the statutes is amended to read:

21 181.0401 (2) (a) 3. A name reserved or registered under this chapter or ch. 178,
22 179, 180, 183 ~~or~~ 185, or 193.

23 SECTION 76. 181.0401 (2) (a) 7. of the statutes is amended to read:

24 181.0401 (2) (a) 7. The name of a cooperative association ^{an} or unincorporated
25 cooperative association incorporated or authorized to transact business in this state.

1 **SECTION 77.** 181.0401 (3) (a) of the statutes is amended to read:

2 181.0401 (3) (a) The other corporation or the foreign corporation, limited
3 liability company, stock corporation, limited partnership, limited liability
4 partnership ~~or~~ cooperative association, or unincorporated cooperative association
5 consents to the use in writing and submits an undertaking in a form satisfactory to
6 the department to change its name to a name that is distinguishable upon the records
7 of the department from the name of the applicant.

8 **SECTION 78.** 181.1150 of the statutes is amended to read:

9 **181.1150 Conversion of cooperative.** A cooperative ^{an} ~~or unincorporated~~
10 cooperative association organized without capital stock may elect to convert itself to
11 a corporation by adopting and filing restated articles of incorporation or organization
12 in the manner required under ch. 185 or 193. The restated articles of incorporation
13 or organization shall conform to the requirements of s. 181.0202 and shall contain
14 a statement that the cooperative or unincorporated cooperative association elects to
15 convert itself to a corporation subject to this chapter. The election to become a
16 corporation subject to this chapter is effective upon the filing of the restated articles
17 of incorporation or organization.

18 **SECTION 79.** 181.1506 (2) (a) 3. of the statutes is amended to read:

19 181.1506 (2) (a) 3. A name reserved or registered under this chapter or ch. 178,
20 179, 180, 183 ~~or~~ 185, or 193.

21 **SECTION 80.** 181.1506 (2) (a) 3. of the statutes is amended to read:

22 181.1506 (2) (a) 3. A name reserved or registered under this chapter or ch. 178,
23 179, 180, 183 ~~or~~ 185, or 193.

24 **SECTION 81.** 181.1506 (2) (a) 7. of the statutes is amended to read:

1 181.1506 (2) (a) 7. The name of a cooperative association ~~or~~ ^{an} unincorporated
2 cooperative association incorporated or authorized to transact business in this state.

3 **SECTION 82.** 181.1506 (3) (a) of the statutes is amended to read:

4 181.1506 (3) (a) The other foreign corporation or the domestic corporation,
5 limited liability company, nonstock corporation, limited partnership, limited
6 liability partnership ~~or~~ [✓] cooperative association, or unincorporated cooperative
7 association [✓] consents to the use in writing and submits an undertaking in a form
8 satisfactory to the department to change its name to a name that is distinguishable
9 upon the records of the department from the name of the applicant.

10 **SECTION 83.** 182.01 (3) (intro.) of the statutes is amended to read:

11 182.01 (3) NAME OF DRAFTER ON DOCUMENTS. (intro.) No articles of
12 incorporation, articles of organization, articles of amendment, articles of merger,
13 consolidation or share exchange, articles of dissolution, restated articles of
14 incorporation, certificate of abandonment, or statement or articles of revocation of
15 voluntary dissolution, provided for pursuant to ch. 180, 181, 183, 185 ~~or~~ [✓] 187, or [✓] 193;
16 no registration statement, amendment of a registration statement, or written notice
17 of withdrawal under s. 178.40; and no certificate of limited partnership, certificate
18 of amendment, restated certificate of limited partnership or certificate of
19 cancellation, provided for pursuant to ch. 179, shall be filed by the department unless
20 the name of the individual who, or the governmental agency which, drafted such
21 document is printed, typewritten, stamped or written thereon in a legible manner.
22 A document complies with this subsection if it contains a statement in the following
23 form: "This document was drafted by.... (Name)". This subsection shall not apply to
24 a document executed prior to December 1, 1967, or to:

25 **SECTION 84.** 182.017 (1) of the statutes is amended to read:

1 182.017 (1) RIGHT-OF-WAY FOR. Any domestic corporation organized to furnish
2 telegraph or telecommunications service or transmit heat, power or electric current
3 to the public or for public purposes, an independent system operator, as defined in
4 s. 196.485 (1) (d), an independent transmission owner, as defined in s. 196.485 (1)
5 (dm), or a cooperative association organized under ch. 185 or 193 to furnish telegraph
6 or telecommunications service or transmit heat, power or electric current to its
7 members, may, subject to ss. 30.44 (3m), 30.45, 86.16 and 196.491 (3) (d) 3m. and to
8 reasonable regulations made by any city, village or town through which its
9 transmission lines or systems may pass, construct and maintain such lines or
10 systems with all necessary appurtenances in, across or beneath any public highway
11 or bridge or any stream or body of water, or upon any lands of any owner consenting
12 thereto, and for such purpose may acquire lands or the necessary easements; and
13 may connect and operate its lines or system with other lines or systems devoted to
14 like business, within or without this state, and charge reasonable rates for the
15 transmission and delivery of messages or the furnishing of heat, power or electric
16 light.

17 SECTION 85. 182.025 (1) of the statutes is amended to read:

18 182.025 (1) Any domestic corporation formed to furnish water, heat, light,
19 power, telegraph or telecommunications service or signals by electricity may, subject
20 to the provisions of ch. 201 and by an affirmative vote of at least two-thirds of its
21 outstanding shares entitled to vote thereon, or any cooperative association organized
22 under ch. 185 or 193 to furnish water, heat, light, power, telegraph or
23 telecommunications service to its stockholders or members only may, by a vote of a
24 majority of a quorum of its stockholders or members present at any regular or special
25 meeting held upon due notice as to the purpose of the meeting or when authorized

1 by the written consent of the holders of a majority of its capital stock outstanding and
2 entitled to vote or of a majority of its members, mortgage or trust deed any or all of
3 the property, rights and privileges and franchises that it may then own or thereafter
4 acquire, to secure the payment of its bonds or notes to a fixed amount or in amounts
5 to be from time to time determined by the board of directors, and may, in and by such
6 mortgage or deed of trust, provide for the disposal of any of its property and the
7 substitution of other property in its place. Every such mortgage or deed of trust may
8 be recorded in the office of the register of deeds of the county in which such
9 corporation is located at the time of such recording, and such record shall have the
10 same effect as if the instrument were filed in the proper office as a chattel mortgage
11 or financing statement, and so remain until satisfied or discharged without any
12 further affidavit, continuation statement or proceeding whatever. For this purpose
13 the location of such corporation shall be deemed to be: as to a corporation or a
14 cooperative association not at the time subject to either s. 180.0501 or, 185.08, or
15 193.115 (1), the location designated in its articles as then in effect; as to a corporation
16 subject to s. 180.0501, the location of its registered office; and as to a cooperative
17 association subject to s. 185.08 or 193.115 (1), the location of its principal office or
18 registered agent as designated thereunder.

19 **SECTION 86.** 183.0103 (2) (a) of the statutes is amended to read:

20 183.0103 (2) (a) The name of any other limited liability company, a corporation,
21 a nonstock corporation, a limited partnership, a limited liability partnership or, a
22 cooperative association, or an unincorporated cooperative association existing under
23 the laws of this state.

24 **SECTION 87.** 183.0103 (2) (b) of the statutes is amended to read:

1 183.0103 (2) (b) The name of any foreign limited liability company, foreign
2 corporation, foreign nonstock corporation, foreign limited partnership, foreign
3 limited liability partnership ~~or~~ foreign cooperative association, or foreign
4 unincorporated cooperative association, or the designated, registered or fictitious
5 name under which any such entity is licensed to transact business in this state.

6 SECTION 88. 183.0103 (2) (c) of the statutes is amended to read:

7 183.0103 (2) (c) Any name reserved or registered under ch. 179, 180, 181 ~~or~~,
8 185, or 193.

9 SECTION 89. 183.0103 (4) (a) of the statutes is amended to read:

10 183.0103 (4) (a) The other limited liability company, corporation, nonstock
11 corporation, limited partnership, limited liability partnership ~~or~~ cooperative
12 association, or unincorporated cooperative association consents to the use in writing
13 and submits an undertaking in a form satisfactory to the department to change its
14 name to a name that is distinguishable upon the records of the department from the
15 name of the applicant.

16 SECTION 90. Chapter 193 of the statutes is created to read:

17 CHAPTER 193

18 UNINCORPORATED COOPERATIVE ASSOCIATIONS

19 SUBCHAPTER I

20 GENERAL PROVISIONS

21 193.001 Citation. This chapter may be cited as the "Wisconsin Cooperative
22 Associations Act."

23 193.005 Definitions. Unless the context requires otherwise, in this chapter:

1 (2) "Address" means mailing address and, in the case of a registered address,
2 means the mailing address and the actual office location, which may not be a post
3 office box. ✓

4 (2m) "Affiliate," when used in reference to any person, means another person
5 who controls, is controlled by, or is under common control with the person. ✓

6 (3) "Alternative Ballot" means a method of voting, prescribed by the board in
7 advance of the vote, that permits a vote to be cast electronically, telephonically, via
8 the Internet, or by any similar means which reasonably allows members the
9 opportunity to vote. ✓

10 (3m) "Allocation unit" means a separate business unit of a cooperative. ✓

11 (4) "Articles" means the articles of organization of a cooperative. ✓

12 (5) "Association" means an organization conducting business on a cooperative
13 plan under the laws of any state. ✓

14 (6) "Board" means the board of directors of a cooperative. ✓

15 (7) "Business entity" means a cooperative, corporation, limited liability
16 company, association, firm, or partnership operated for profit and organized under
17 a law other than a law of this state. ✓

18 (9) "Cooperative" means an association organized under this chapter
19 conducting business on a cooperative plan as provided under this chapter. ✓

20 (9m) "Department" means the department of financial institutions. ✓

21 (10) "Domestic business entity" means a business entity organized under the
22 laws of this state. ✓

23 (11m) "Electronic" means relating to technology having electrical, digital,
24 magnetic, wireless, optical, electromagnetic, or similar capabilities. ✓

1 **(11p)** “Electronic signature” means an electronic sound, symbol, or process,
2 attached to or logically associated with a writing and executed or adopted by a person
3 with intent to authenticate the writing. ✓

4 **(12)** “File with the department” means to deliver to the department a document
5 meeting the applicable requirements of this chapter, signed and accompanied by any
6 required filing fee. ✓

7 **(13)** “Foreign business entity” means a business entity that is organized under
8 the laws of another state or the United States. ✓

9 **(14)** “Foreign cooperative” means a foreign business entity organized to
10 conduct business on a cooperative plan consistent with this chapter or ch. 185. ✓

11 **(15)** “Member” means a person reflected on the books of the cooperative as the
12 owner of governance rights of a membership interest of the cooperative. The term
13 includes patron and nonpatron members. ✓

14 **(16)** “Membership interest” means a member’s interest in a cooperative,
15 consisting of a member’s financial rights, a member’s right to assign financial rights,
16 a member’s governance rights, and a member’s right to assign governance rights.
17 The term includes patron membership interests and nonpatron membership
18 interests. ✓

19 **(17)** “Members’ meeting” means a regular or special members’ meeting. ✓

20 **(18)** “Nonpatron member” means a member who holds a nonpatron
21 membership interest. ✓

22 **(19)** “Nonpatron membership interest” means a membership interest that does
23 not require the holder to conduct patronage business for or with the cooperative to
24 receive financial rights or distributions. ✓

1 (20) "Patron" means a person or entity who conducts patronage with the
2 cooperative. ✓

3 (21) "Patronage" means transactions or services done for or with a cooperative
4 as defined by the cooperative. ✓

5 (22) "Patron member" means a member holding a patron membership interest. ✓

6 (23) "Patron membership interest" means a membership interest requiring the
7 holder to conduct patronage for or with the cooperative, as specified by the
8 cooperative, to receive financial rights or distributions. ✓

9 (24) "Sign" means to execute or adopt a manual, facsimile, conformed, or
10 electronic signature or any symbol with intent to authenticate a writing and, with
11 respect to a document required under this chapter to be filed with the department, ✓
12 with authority to do so under this chapter and under the articles, bylaws, or a
13 resolution approved by the directors or members. ✓

14 (25) "Writing" means information that is inscribed on a tangible medium or
15 that is stored in an electronic or other intangible medium and is retrievable in
16 perceivable form. ✓

17 **193.105 Use of term "cooperative" restricted. (1)** USE OF TERM
18 "COOPERATIVE" RESTRICTED. ✓ A business entity may not use the term "cooperative" as
19 part of its business name or title or represent itself as a cooperative, in this state,
20 unless the business entity is a cooperative or foreign cooperative or is organized
21 under ch. 185. ✓

22 (2) PENALTY FOR MISUSE OF TERM "COOPERATIVE." A business entity that violates
23 sub. (1) may be fined not more than \$250. ✓ Each day of improper use constitutes a
24 separate offense. ✓

1 **193.111 Filing fees and other requirements. (1)** Except as provided
2 under sub. (2), the department shall charge and collect for: ✓

3 (a) Filing articles for a new cooperative, \$25, if the new cooperative is organized
4 with no capital stock. ✓ If the new cooperative is organized with capital stock, the
5 department may charge \$1.25 for each \$1,000 of capital stock, or \$25, whichever is
6 greater. ✓

7 (b) Filing an amendment to or restatement of the articles or articles of
8 consolidation or division, \$25, except that no fee may be collected for any of the
9 following: ✓

10 1. An amendment showing only a change of address resulting from the action
11 of a governmental agency ✓ if there is no corresponding change in physical location and
12 if 2 copies of the notice of the action are submitted to the department. ✓

13 2. An amendment or statement filed to reflect only a change in the name of a
14 registered agent. ✓

15 (c) Filing articles of merger, \$30. ✓

16 (d) Filing articles or decree of dissolution, \$5. ✓

17 (e) Receiving service of any process, notice, or demand, authorized to be served
18 on the department by this chapter, an amount equal to the fee established under s.
19 182.01 (4) (c). ✓

20 (g) Filing a report of names and addresses of officers or directors, \$3. ✓

21 (h) Processing in an expeditious manner a document required or permitted to
22 be filed or recorded under this chapter, an amount equal to the fee established under
23 s. 182.01 (4) (d), in addition to the fee required by other provisions of this chapter. ✓

24 **(2)** The department, by rule, may specify a larger fee for filing documents
25 described in sub. (1) in paper format. ✓

1 (3) No document may be filed or recorded until all fees for the document have
2 been paid. ✓

3 (4) The department shall endorse on any document filed with the department
4 the word "filed" or a similar word determined by the department and the month, day,
5 and year of filing, record the document in the office of the department, and return
6 the document to the person or entity who delivered it for filing. ✓

7 **193.115 Registered office and agent. (1)** REGISTERED OFFICE AND AGENT
8 REQUIRED. ✓ A cooperative shall establish and continuously maintain in this state all
9 of the following:

10 (a) A registered office which may be, but need not be, the same as the
11 cooperative's place of business. ✓

12 (b) A registered agent, ~~which~~ ^{set} agent may be either an individual resident of this
13 state whose business office is identical to the registered office, ~~or~~ ^{or} a domestic business
14 entity, or a foreign business entity authorized to transact business in this state,
15 having an office identical to the registered office.

16 (2) DESIGNATION OF INITIAL OFFICE AND AGENT. The organizers of a cooperative
17 shall designate the cooperative's initial registered office and agent by filing with the
18 department, along with the original articles of organization under s. 193.215 (1), a
19 statement setting forth all of the following:

20 (a) The name of the cooperative. ✓

21 (b) The address of its registered office. ✓

22 (c) The name of its registered agent. ✓

23 (d) That the address of its registered office and the address of the business office
24 of its registered agent are identical. ✓

1 **(2m) CHANGE OF OFFICE AND AGENT.** Except as provided in sub. (5), a cooperative
2 may change its registered office or agent by filing with the department a statement
3 setting forth all of the following:

4 (a) The name of the cooperative. ✓

5 (b) The address of its then registered office. ✓

6 (c) If the address of its registered office is to be changed, the address to which
7 the registered office is to be changed. ✓

8 (d) The name of its then registered agent. ✓

9 (e) If its registered agent is to be changed, the name of its successor registered
10 agent. ✓

11 (f) That the address of its registered office and the address of the business office
12 of its registered agent, as changed, will be identical. ✓

13 (g) That any change was authorized by affirmative vote of a majority of the
14 board. ✓

15 **(3) DUTIES OF DEPARTMENT; EFFECTIVE DATE OF CHANGE.** Upon receipt of a
16 statement delivered under sub. (2) or (2m), the department shall examine the
17 statement to ensure that it conforms to the applicable requirements of this section.
18 If the department finds that the statement conforms to the applicable requirements
19 of this section, the department shall file the statement. Any change designated in
20 a statement delivered under sub. (2m) takes effect upon filing of the statement by the
21 department. ✓

22 **(4) RESIGNATION OF AGENT.** Any registered agent of a cooperative may resign
23 as agent by filing with the department a written notice of resignation, together with
24 one exact or conformed copy. The department shall mail a copy of the notice to the
25 cooperative at its principal mailing address as determined by the department. ✓ The

1 resignation takes effect on the first day of the 2nd month beginning after receipt of
2 the notice by the department. ✓

3 (5) CHANGE OF ADDRESS OR NAME OF AGENT. If the address or name of a
4 registered agent changes, the agent shall change the address of the registered office
5 or the name of the registered agent, as applicable, of the cooperative that appointed
6 the agent by filing with the department the statement required under sub. (2m),
7 except that the statement need only be signed by the registered agent, need not
8 satisfy sub. (2m) (e) or (g), and shall state that a copy of the statement has been
9 mailed to the cooperative or to the legal representative of the cooperative. ✓

10 **193.121 Legal recognition of electronic records and signatures.** For the
11 purpose of satisfying 15 USC 7002 (a) (2) (B) as that statute relates to this chapter,
12 this state acknowledges the existence of the Electronic Signatures in Global and
13 National Commerce Act, 15 USC 7001 to 7031. ✓

14 SUBCHAPTER II

15 ORGANIZATION

16 **193.201 Organizational purpose.** A cooperative may be formed and
17 organized on a cooperative plan for patrons as provided under this chapter for any
18 of the following purposes: ✓

19 (1) To market, process, or otherwise change the form or marketability of
20 products, including crops, livestock, and other agricultural products; to manufacture
21 products; to accomplish other purposes that are necessary or convenient to facilitate
22 the production or marketing of products by patron members and others; and to
23 accomplish other purposes that are related to the business of the cooperative. ✓

24 (2) To provide products, supplies, and services to its members. ✓

25 (3) To accomplish any other lawful purpose. ✓

1 **193.205 Organizers. (1) QUALIFICATION.** A cooperative may be organized by
2 one or more organizers who shall be individuals over the age of 18, who may act for
3 themselves as individuals or as the agents of other entities. The organizers forming
4 the cooperative need not be members of the cooperative. ✓

5 **(2) ROLE OF ORGANIZERS.** If the cooperative's initial board is not named in the
6 articles, the organizers may elect the initial board or may act as directors with all of
7 the powers, rights, duties, and liabilities of directors, until the board is elected or
8 until a contribution is accepted, whichever occurs first. ✓

9 **(3) MEETING OR WRITTEN ACTION.** After the articles are filed, the organizers or
10 the board named in the articles, as applicable, shall hold an organizational meeting
11 at the call of a majority of the organizers or of the board, as applicable, or take written
12 action for the purposes of transacting business and taking actions appropriate to
13 complete the organization of the cooperative. ✓ If a meeting is held under this
14 subsection, the person or persons calling the meeting shall give at least 3 days prior
15 notice of the meeting to each organizer or director, as applicable, stating the date,
16 time, and place of the meeting. ✓ An organizer or director may waive notice of an
17 organizational meeting in the same manner that a director may waive notice of
18 meetings of the board. ✓

19 **193.211 Cooperative name. (1) DISTINGUISHABLE NAME.** The name of a
20 cooperative shall distinguish the cooperative upon the records of the department
21 from the name of all business entities authorized to do business in this state and all
22 names the right to which are, at the time of organization, reserved or provided for
23 by law. ✓

24 **(2) RESERVATION; CONTEST OF NAME.** A cooperative's name is reserved for use by
25 the cooperative during the cooperative's existence, except that a person doing

1 business in this state may contest the cooperative's use of the name as provided by
2 law.

3 **193.215 Articles of organization and notice of mailing address. (1)**

4 FILING REQUIRED. The organizers of a cooperative shall file with the department the
5 cooperative's original articles as specified under sub. (2), together with the statement
6 required under s. 193.115 (2) and a statement listing the current mailing address of
7 the cooperative. ✓

8 **(2) CONTENT OF ARTICLES. (a)** The articles shall state all of the following:

- 9 1. The name of the cooperative. ✓
10 2. The purpose of the cooperative. ✓
11 3. The name and address of each organizer. ✓
12 4. The duration of the cooperative, if the duration is not to be perpetual. ✓

13 **(b)** The articles may contain any other lawful provision. ✓

14 **(3) EFFECT OF PROPER FILING.** Upon compliance with sub. (1), all of the following
15 apply:

16 **(a)** It is presumed that all conditions precedent to organizing the cooperative
17 that are required to be performed by the organizers have been satisfied. ✓

18 **(b)** The cooperative is chartered by this state as a separate legal entity with
19 perpetual duration or any other duration stated in the articles under sub. (2) (a) 4. ✓

20 **(c)** The department shall issue a certificate of organization to the cooperative. ✓

21 **(4) CHANGE OF MAILING ADDRESS.** If the mailing address of the cooperative
22 changes, the cooperative shall file with the department a statement notifying the
23 department of the change of address. ✓

24 **193.221 Amendment of articles. (1) PROCEDURE. (a)** Except as provided
25 under sub. (3), the articles of a cooperative may be amended as follows:

1 1. The board by majority vote may adopt a resolution stating the text of the
2 proposed amendment. ✓ The text of the proposed amendment and, if approved by the
3 board, an attached mail or alternative ballot, shall be mailed or otherwise
4 distributed with any regular or special meeting notice to each member. The notice
5 shall designate the time and place of the meeting at which the proposed amendment
6 will be considered and voted on. ✓

7 2. If a quorum of the members is registered as being present or represented by
8 alternative vote at the meeting specified in the notice under subd. 1., the proposed
9 amendment may be adopted by the following means, as applicable:

10 a. By a majority of the votes cast. ✓

11 b. For a cooperative with articles or bylaws requiring more than majority
12 approval or other conditions for approval, by a sufficient vote as required under the
13 articles or bylaws or by satisfying the other conditions for approval. ✓

14 (b) The articles may be amended as restated articles using the procedure under
15 par. (a). If restated articles are adopted, the restated articles supercede all prior
16 articles and amendments to the articles. ✓

17 (c) After an amendment or restated articles are adopted under par. (a) or (b),
18 the chair, vice-chair, records officer, or assistant records officer of the cooperative
19 shall sign the amendment or restated articles and promptly file a copy with the
20 department. ✓

21 (2) CERTIFICATE. (a) If an amendment or restated articles are adopted under
22 sub. (1), the board shall prepare a certificate containing all of the following:

23 1. A statement listing the date of the meeting at which the board adopted the
24 resolution concerning the proposed amendment under sub. (1) (a) 1. or the restated
25 articles and the vote of the board. ✓

1 2. A copy of the notice provided to members under sub. (1) (a) 1. ✓

2 3. A listing of the quorum registered at the meeting under sub. (1) (a) 2. ✓

3 4. A listing of the votes cast adopting the amendment or the restated articles
4 at the meeting under sub. (1) (a) 2. ✓

5 (b) The chair, vice-chair, records officer, or financial officer of the cooperative
6 shall sign the certificate and file the certificate with the records of the cooperative. ✓

7 **(3) AMENDMENT BY DIRECTORS.** A majority of directors may, by resolution, amend
8 the articles if the cooperative does not have any members with voting rights. The
9 board shall promptly file an amendment under this subsection with the department. ✓

10 **(4) EFFECTIVE DATE OF AMENDMENT.** An amendment or restated articles adopted
11 under sub. (1) or an amendment adopted under sub. (3) is effective on the date
12 specified in the resolution adopted under sub. (1) (a) 1. or (3), as applicable, or, if no
13 such date is specified, upon the filing of the amendment or restated articles with the
14 department. ✓

15 **193.225 Conversion to cooperative. (1) AUTHORITY AND NOTICE.** A
16 business entity other than an cooperative may become a cooperative by following the
17 applicable procedure under sub. (2) or (3). ✓ A business entity shall provide its
18 members with a disclosure statement listing the rights and obligations of the
19 members and the capital structure of the proposed cooperative before making a
20 conversion under this section. ✓

21 **(2) PROCEDURE FOR ENTITIES ORGANIZED IN THIS STATE.** A business entity
22 organized under the laws of this state, other than a cooperative, that elects to make
23 a conversion as provided under sub. (1) shall amend its organizational documents in
24 the manner provided under the laws that govern the business entity. ✓ The business
25 entity shall file with the department amended articles of organization that comply

1 with s. 193.215. Upon the filing of the amended articles of organization, the business
2 entity is converted to a cooperative and is governed by the applicable provisions of
3 this chapter. ✓

4 (3) PROCEDURE FOR ENTITIES ORGANIZED IN OTHER STATES. A business entity
5 organized under the laws of another state that elects to make a conversion as
6 provided under sub. (1) shall amend its organizational documents in the manner
7 provided under the other state's laws that govern the business entity. The business
8 entity shall file with the department amended articles of organization that comply
9 with s. 193.215. Upon the filing of the amended articles of organization, the business
10 entity is converted to a cooperative and is governed by the applicable provisions of
11 this chapter. ✓

12 **193.231 Curative filing.** If the department determines that a cooperative has
13 made an erroneous filing under this chapter, the department may revoke and
14 expunge the erroneous filing and authorize a curative document to be filed. The
15 department shall charge the cooperative a filing fee of \$500 for any such revocation,
16 expungement, and subsequent curative filing. ✓

17 **193.241 Bylaws. (1) REQUIRED.** A cooperative shall have bylaws governing
18 the cooperative's business affairs and structure, the qualifications, classification,
19 rights, and obligations of members, and the classifications, allocations, and
20 distributions of membership interests which are not otherwise provided in the
21 articles or by this chapter. ✓

22 (2) CONTENTS. The bylaws may contain any provision relating to the
23 management or regulation of the affairs of the cooperative that is not inconsistent
24 with applicable law or the articles and, if not stated in the articles, the bylaws shall
25 include all of the following: ✓

1 (a) A description of the capital structure of the cooperative, including a
2 statement of the classes and relative rights, preferences, and restrictions granted to
3 or imposed upon each class of member interests, the rights to share in profits or
4 distributions of the cooperative, and the authority to issue member interests and, if
5 applicable, a statement that the board may establish a class or series of member
6 interests, set forth the designation of the class or series, and fix the relative rights
7 and preferences of the class or series. ✓

8 (b) A provision designating voting and governance rights, including which
9 membership interests have voting power and any limitations or restrictions on the
10 voting power, which shall be in accordance with the provisions of this chapter. ✓

11 (c) A statement that patron membership interests with voting power are
12 restricted to one vote for each member regardless of the amount of patron
13 membership interests held in the affairs of the cooperative or a statement describing
14 the allocation of voting power as prescribed in this chapter. ✓

15 (d) A statement that membership interests held by a member are transferable
16 only with the approval of the board or a statement otherwise describing the manner
17 in which membership interests may be transferred consistent with this chapter. ✓

18 (e) If nonpatron membership interests are authorized, a statement as to how
19 profits and losses will be allocated and cash will be distributed between patron
20 membership interests collectively and nonpatron membership interests collectively,
21 a statement that net income allocated to patron membership interests as determined
22 by the board in excess of dividends and additions to reserves shall be distributed on
23 the basis of patronage, and a statement that the records of the cooperative shall
24 include the interests of patron membership interests and, if authorized, nonpatron
25 membership interests in any classes of interests and in the reserves. ✓

1 (f) A statement of the number of directors; the qualifications, manner of
2 election, powers, and duties of directors; and the manner in which any compensation
3 of directors is determined. Provisions included in the bylaws under this paragraph
4 shall be consistent with subch. IV. ✓

5 (g) A statement of the qualifications of members and any limitations on their
6 number. ✓

7 (h) A description of the methods of admission, withdrawal, suspension, and
8 expulsion of members. ✓

9 (i) A general description of members' governance rights and financial rights,
10 assignability of governance and financial rights, and other rights, privileges, and
11 obligations of members and their membership interests, which may be further
12 described in member control agreements. ✓

13 (j) Any provisions required by the articles to be in the bylaws. ✓

14 (3) ADOPTION AND AMENDMENT; NOTICE. (a) Bylaws shall be adopted prior to any
15 distributions to members, but if the articles provide that rights of contributors to a
16 class of membership interest will be determined in the bylaws, then the bylaws shall
17 be adopted prior to the acceptance of any contributions to that class. ✓

18 (b) Subject to subs. (4), (5), and (6), the bylaws may be adopted or amended by
19 the board or, if all of the following apply, the members may adopt or amend bylaws
20 at a regular or special members' meeting: ✓

21 1. The notice of the meeting contains a statement that the bylaws or
22 amendments will be voted upon, a statement summarizing the proposed bylaws or
23 amendments, and either copies of the bylaws or amendments or a statement that
24 copies of the bylaws or amendments are available from the cooperative upon request. ✓

1 2. A quorum of the members is registered as being present or represented by
2 alternative vote at the meeting. ✓

3 3. The bylaws or amendments are approved by the following means, as
4 applicable: ✓

5 a. By a majority of the votes cast. ✓

6 b. For a cooperative with articles or bylaws requiring more than majority
7 approval or other conditions for approval, by a sufficient vote as required under the
8 articles or bylaws or by satisfying the other conditions for approval. ✓

9 (c) The members may amend the bylaws even though the bylaws may also be
10 amended by the board. The board may amend the bylaws even though the bylaws
11 may also be amended by the members. ✓

12 (d) The board shall distribute to the members any amendment to the bylaws
13 adopted by the board no later than the 10th day after adoption and the notice of the
14 next regular members' meeting occurring after adoption shall contain a notice and
15 summary of, or a copy of, the amendment. ✓

16 **(4) LIMITATION ON BOARD'S AMENDMENT AUTHORITY.** The board may not amend the
17 bylaws if any of the following apply: ✓

18 (a) This chapter, the articles, or the bylaws reserve the power exclusively to the
19 members. ✓

20 (b) The articles or bylaws expressly prohibit the board from doing so. ✓

21 (c) The amendment would fix a greater quorum or voting requirement for
22 members or voting groups of members or would amend a provision adopted by
23 amendment under sub. (5). ✓

24 **(5) AMENDMENT TO CHANGE QUORUM OR VOTING REQUIREMENTS FOR MEMBERS.** The
25 members may amend the bylaws to specify a greater quorum requirement for

1 members, or voting groups of members, or a greater number of votes or members
2 participating required for approval than is otherwise required by this chapter. ✓ An
3 amendment to the bylaws to add, change, or delete such a quorum or voting
4 requirement shall meet the same quorum requirement and be adopted by the same
5 vote and voting groups required to take action under the quorum and voting
6 requirements then in effect or proposed to be adopted, whichever are more stringent. ✓

7 (6) AMENDMENT TO CHANGE QUORUM OR VOTING REQUIREMENTS FOR DIRECTORS. (a)
8 A bylaw that specifies a greater quorum requirement for the board or a greater
9 number of votes or directors participating required for approval than is otherwise
10 required by this chapter may be amended as follows: ✓

- 11 1. If the bylaw was originally adopted by the members, only by the members. ✓
12 2. If the bylaw was originally adopted by the board, by the members or by the
13 board. ✓

14 (b) A bylaw, or amendment to the bylaws, adopted by the members that
15 specifies a greater quorum or voting requirement for the board as described in par.

16 (a) may provide that it may be subsequently amended only by a specified vote of
17 either the members or the board, but if the bylaw or amendment so provides, the
18 bylaw or amendment shall be originally adopted by the specified vote of the members
19 proposed in the bylaw or amendment. ✓

20 (c) Action by the board under par. (a) 2. shall meet the same quorum
21 requirement and be adopted by the same vote required to take action under the
22 quorum and voting requirement then in effect or proposed to be adopted, whichever
23 is more stringent. ✓

24 (7) EMERGENCY BYLAWS. (a) Unless otherwise provided in the articles or bylaws,
25 the board may adopt emergency bylaws which take effect only during an emergency

✓
1 as defined in par. (d). The emergency bylaws, which are subject to amendment or
2 repeal by the members, may include all provisions necessary for managing the
3 cooperative during an emergency, including any of the following: ✓

4 1. Procedures for calling a meeting of the board. ✓

5 2. Quorum requirements for the meeting. ✓

6 3. Designation of additional or substitute directors. ✓

7 (b) All provisions of the regular bylaws consistent with the emergency bylaws
8 remain in effect during any emergency. ✓

9 (c) Action taken in good faith in accordance with the emergency bylaws: ✓

10 1. Binds the cooperative. ✓

11 2. May not be the basis for imposition of liability on any director, officer,
12 employee, or agent of the cooperative on the ground that the action was not
13 authorized cooperative action. ✓

14 (d) An emergency exists for the purposes of this section if a quorum of the
15 directors cannot readily be obtained because of a catastrophic event. ✓

16 **193.245 Cooperative records.** (1) A cooperative shall keep as permanent
17 records minutes of all meetings of its members and of the board, a record of all actions
18 taken by the members or the board without a meeting by a written unanimous
19 consent in lieu of a meeting, and a record of all waivers of notices of meetings of the
20 members and of the board. ✓

21 (2) A cooperative shall maintain appropriate accounting records. ✓

22 (3) A cooperative shall keep a copy of each of the following records at its
23 principal office: ✓

24 (a) Its articles, bylaws, and other governing instruments. ✓

1 (c) A record of the names and addresses of its members, in a form that allows
2 preparation of a list of members that is alphabetical and that shows each member's
3 address. ✓

4 (d) The minutes of members' meetings and records of all actions taken by
5 members without a meeting by unanimous written consent in lieu of a meeting, for
6 the past 3 years. ✓

7 (e) All written communications within the past 3 years to members as a group
8 or to any class of members as a group. ✓

9 (f) A list of the names and business addresses of its current directors and
10 officers. ✓

11 (g) All financial statements prepared for periods ending during the last fiscal
12 year. ✓

13 (4) A cooperative shall maintain its records in written form or in another form
14 capable of conversion into written form within a reasonable time. ✓

15 (5) Except as otherwise provided under this section, the board may determine
16 what records are appropriate for the purposes of the cooperative, the length of time
17 records are to be retained, and, subject to s. 193.501 (4), policies relating to the
18 confidentiality, disclosure, inspection and copying of the records of the cooperative.
19 This subsection does not permit the board to withhold documents that are otherwise
20 required to be disclosed by law. ✓

21 SUBCHAPTER III

22 COOPERATIVE POWERS

23 **193.301 Cooperative powers. (1) GENERALLY.** In addition to other powers,
24 a cooperative may perform every act necessary or proper to the conduct of the
25 cooperative's business or the accomplishment of the purposes of the cooperative. A ✓

1 cooperative has all rights, powers, and privileges granted to entities organized under
2 ch. 185, except those that are inconsistent with an express provision of this chapter. ✓

3 (2) DEALING IN PRODUCTS. A cooperative may buy, sell, or deal in its own
4 products or the products of any other person and may negotiate the sales price of any
5 product the cooperative sells. ✓

6 (3) CONTRACTS WITH MEMBERS. A cooperative may enter into or become a party
7 to a contract for the cooperative or for the cooperative's individual members or
8 patrons or between the cooperative and its members. ✓

9 (4) ACTS CONCERNING REAL AND PERSONAL PROPERTY. (a) A cooperative may
10 acquire and hold, lease, mortgage, encumber, sell, exchange and convey real and
11 personal property as the business of the cooperative may require. ✓

12 (b) A cooperative may act as trustee or in any fiduciary capacity for any purpose
13 not inconsistent with the purposes of the cooperative, subject to any applicable
14 requirements of s. 223.105. (Need to amend s. 223.105 (1) (b) to include cooperatives. ✓)

15 (6) DEBT INSTRUMENTS, BORROWING, SECURITY, AND INVESTING. A cooperative may
16 do any of the following: ✓

17 (a) Issue bonds, debentures, or other evidence of indebtedness. ✓

18 (b) Borrow money to finance the business of the cooperative. ✓

19 (c) Secure any of its obligations by mortgage of, creation of a security interest
20 in, or other encumbrance or assignment of all or any of its property, franchises, or
21 income. ✓

22 (d) Form special purpose business entities to secure assets of the cooperative. ✓

23 (e) Invest its funds. ✓

24 (f) Acquire, hold, and dispose of evidences of indebtedness of any business
25 entity. ✓

1 (7) ADVANCES TO PATRONS. A cooperative may make advances to the
2 cooperative's members or patrons on products delivered by the members or patrons
3 to the cooperative. ✓

4 (8) DONATIONS. A cooperative may accept donations of money and donations of
5 real or personal property from its members. ✓

6 (9) LENDING TO AND BORROWING FROM MEMBERS. A cooperative may loan money
7 to its members with security that it considers sufficient, whether or not any property
8 taken as security is of the kind dealt in by the cooperative, and may borrow money
9 from its members. ✓

10 (10) PENSIONS AND BENEFITS. (a) A cooperative may pay pensions, retirement
11 benefits, and compensation for past services to or for the benefit of the cooperative. ✓

12 (b) A cooperative may establish and carry out employee benefit plans and
13 provisions for the benefit of any or all of its and its affiliates, officers, managers,
14 directors, governors, employees, and agents. ✓ In the case of an affiliate that is a
15 cooperative, a cooperative may establish and carry out provisions for the benefit of
16 the affiliate's members who provide services to the cooperative, and the families,
17 dependents, and beneficiaries of any of them. ✓ A cooperative may indemnify a
18 fiduciary of any employee benefit plan or provisions established under this
19 paragraph and purchase insurance for or on behalf of such a fiduciary. ✓

20 (11) INSURANCE. A cooperative may purchase for its benefit life insurance and
21 other insurance with respect to the services of any of its members, managers,
22 directors, employees, and agents, and may purchase insurance on the life of a
23 member for the purpose of facilitating the cooperative's acquisition of any of the
24 member's membership interests in the cooperative at the death of the member. ✓

1 **(12) OWNERSHIP INTERESTS IN OTHER ENTITIES.** (a) A cooperative may acquire,
2 hold, or dispose of ownership interests in another business entity and, if a
3 cooperative acquires ownership interests under this paragraph, assume all rights,
4 interests, privileges, responsibilities, and obligations arising out of the ownership
5 interests. A cooperative that holds an ownership interest in another business entity
6 may, by direction of the board, elect or appoint an individual to represent the
7 cooperative at a meeting of the business entity. The representative may represent
8 the cooperative at such a meeting and may cast any vote the cooperative is entitled
9 to cast at the meeting.

10 (b) A cooperative may organize business entities.

11 (c) A cooperative may acquire ownership interests in or organize an entity to
12 which any of the following apply:

- 13 1. The entity is organized as a federation of associations.
- 14 2. The entity is organized for the purpose of forming a district, state, or national
15 marketing, sales, or service agency.
- 16 3. The entity is organized for the purpose of acquiring marketing facilities at
17 terminal or other markets in this state or other states.

18 **(14) FORFEITURE.** (a) Notwithstanding ch. 177, a cooperative may effect the
19 forfeiture to the cooperative of unclaimed allocations, distributions, or credits under
20 this chapter or under s. 185.45 (2) (b) and (c), (3) (a) and (b), and (4) (b), unclaimed
21 stock issued by the cooperative, and unclaimed deposits held by the cooperative, if
22 all of the following conditions are met:

- 23 1. No earlier than 3 years and no later than 5 years after the allocation,
24 distribution, or credit is first made available to its owner, the board declares that the
25 allocation, distribution, or credit will be forfeited to the cooperative unless claimed

1 by a date determined by the board, which date shall be a business day at least 60 days
2 after the date of mailing under subd. 2. ✓

3 2. The cooperative mails a written notice of the declaration under subd. 1. to ✓
4 the owner of the allocation, distribution, or credit at the owner's last-known address,
5 as reflected in the records of the cooperative. ✓

6 3. The cooperative publishes the notice under subd. 2. as a class 1 notice under ✓
7 ch. 985, on or before the date on which the notice is mailed, in a newspaper published
8 in a municipality having territory within the service area of the cooperative. ✓

9 4. The allocation, distribution, or credit remains unclaimed after the date
10 determined by the board under subd. 1. ✓

11 (b) A cooperative that effects a forfeiture under par. (a) shall use any forfeited
12 moneys within one year after the date on which the funds are forfeited for providing
13 scholarships or educational loans to students or for charitable purposes, as
14 determined by the board. ✓

15 (c) Property forfeited under this subsection is not subject to ch. 177. ✓

16 **193.305 Emergency powers. (1)** In anticipation of or during an emergency,
17 as defined in sub. (4), the board may do any of the following:

18 (a) Modify lines of succession to accommodate the incapacity of any director,
19 officer, employee, or agent. ✓

20 (b) Relocate the principal office, designate alternative principal offices or
21 regional offices, or authorize the officers to do so. ✓

22 **(2)** All of the following apply during an emergency, as defined in sub. (4), unless ✓
23 emergency bylaws under s. 193.241 (7) provide otherwise:

24 (a) Notice of a meeting of the board need be given only to those directors whom
25 it is practicable to reach and may be given in any practicable manner. ✓

1 (b) One or more officers of the cooperative present at a meeting of the board may
2 be deemed to be directors for the meeting, in order of rank and within the same rank
3 in order of seniority, as necessary to achieve a quorum. ✓

4 (3) Action taken in good faith during an emergency under this section to further
5 the ordinary business affairs of the cooperative: ✓

6 (a) Binds the cooperative. ✓

7 (b) May not be the basis for the imposition of liability on any director, officer,
8 employee, or agent of the cooperative on the ground that the action was not
9 authorized cooperative action. ✓

10 (4) An emergency exists for purposes of this section if a quorum of the directors
11 cannot readily be obtained because of a catastrophic event. ✓

12 **193.311 Agricultural product and commodity marketing contracts. (1)**

13 AUTHORITY. A cooperative and its patron member or patron may enter into a
14 marketing contract, requiring the patron member or patron to sell a specified portion
15 of the patron member's or patron's agricultural product or specified commodity
16 produced from a specified area exclusively to or through the cooperative or a facility
17 established by the cooperative. ✓

18 (2) TITLE TO PRODUCTS. If an agricultural product or commodity is sold to a
19 cooperative under a contract under sub. (1), the sale transfers title to the product or
20 commodity absolutely, subject to any valid lien or security interest in the product or
21 commodity, to the cooperative on delivery of the product or commodity or at another
22 time specified in the contract. ✓ A contract under sub. (1) may allow a cooperative to
23 sell agricultural products or commodities with or without taking title to the products
24 or commodities, and pay the sales price to the applicable patron member or patron,
25 after deducting amounts specified in the contract. ✓

1 (3) TERM OF CONTRACT. The term of a contract under sub. (1) may not exceed 10
2 years, except that a contract may be renewed for periods not exceeding 5 years each,
3 subject to the right of either party to immediately terminate the contract by giving
4 written notice of the termination to the other party. ✓

5 (4) LIQUIDATED DAMAGES FOR BREACH OF CONTRACT. A contract under sub. (1) may
6 require the patron member or patron to pay an amount to the cooperative as
7 liquidated damages for the patron member's or patron's breach of any provision of
8 the contract regarding the sale, delivery, or withholding of a product or commodity.
9 The amount of liquidated damages shall be specified by including the specified
10 amount in the contract. ✓

11 (5) INJUNCTION AGAINST BREACH OF CONTRACT. If a patron member or patron
12 breaches or threatens to breach a contract under sub. (1), the cooperative may
13 commence an action for specific performance and injunctive relief under ch. 813. ✓

14 (6) CRIMINAL PENALTY FOR CONTRACT INTERFERENCE AND FALSE REPORTS. (a) No
15 person may knowingly induce or attempt to induce a patron member or patron of a
16 cooperative to breach a contract under sub. (1). ✓

17 (b) No person may maliciously and knowingly publish false reports about the
18 finances or management of a cooperative. ✓

19 (c) Any person who violates par. (a) or (b) may be fined not more than \$1,000
20 or imprisoned for not more than 6 months, or both. ✓

21 (7) CIVIL LIABILITY FOR CONTRACT INTERFERENCE AND FALSE REPORTS. In addition
22 to the penalty provided in sub. (6) (c), any person who violates sub. (6) (a) or (b) may
23 be liable to the cooperative for damages caused by the violation. ✓

1 **193.315 Indemnification and insurance against securities law claims.**

2 Section 185.042 applies to a cooperative to the same extent as if the cooperative was
3 organized under ch. 185.

4 SUBCHAPTER IV

5 DIRECTORS AND OFFICERS

6 **193.401 Board governs cooperative.** A cooperative shall be governed by its
7 board which shall take all action for and on behalf of the cooperative except those
8 actions reserved or granted to members. No director or group of directors may act
9 for or on behalf of the cooperative unless authorized by the board or this chapter. A
10 director may advocate interests of members or member groups to the board, but the
11 fiduciary duty of each director is to represent the best interests of the cooperative and
12 all members collectively. ✓

13 **193.405 Number of directors.** The board shall have at least 5 directors,
14 except that the board of a cooperative with 50 or fewer members may have as few as
15 3 directors. ✓

16 **193.411 Election of directors.** (1) INITIAL BOARD. The initial board shall be
17 established as provided under s. 193.205 (2) and, except as provided in s. 193.205 (2),
18 shall serve until directors are elected by members. The initial board shall appoint
19 directors to fill any vacancies on the initial board, until the directors are elected by
20 the members.

21 **(2) GENERALLY.** (a) Directors shall be elected or appointed for the term, at the
22 time, and in the manner provided in this section and the articles and bylaws. ✓

(b) If nonpatron members or nonpatron membership interest are granted voting rights, a majority of the directors shall be members and a majority of the directors shall be elected exclusively by patron members, unless otherwise provided

1 in the articles or bylaws. The patron members may also elect an outside director who
2 is an expert in financial matters but who has no financial interest in the cooperative.

3 Unless the articles or bylaws provide otherwise, the outside director may not vote.

4 (d) A director holds office for the term for which the director was elected and
5 until a successor is elected and has qualified, unless the director is removed or a
6 vacancy in the office of the director occurs.

7 (g) Directors may be divided into, designated, and elected by class or other
8 distinction as provided in the articles or bylaws.

9 (3) ELECTION AT REGULAR MEETING. Except as provided under sub. (1) or (4) or
10 s. 193.415 (4) or 193.421, all directors shall be elected at the regular members'
11 meeting.

12 (4) DISTRICT OR LOCAL UNIT ELECTION OF DIRECTORS. For a cooperative with
13 districts or other units, directors may be elected by members on a district or unit
14 basis if the articles or bylaws so provide. Directors elected on a district or unit basis
15 may be nominated or elected at district member meetings if the articles or bylaws so
16 provide. Directors who are nominated at district meetings shall be elected at the
17 regular members' meeting by vote of the entire membership, unless the articles or
18 bylaws provide that such directors are to be elected at a district member meeting or
19 the regular members' meeting by vote of the members of the district.

20 (4m) CUMULATIVE VOTING. Unless the articles or bylaws so provide, directors
21 may not be elected through the use of any system of voting that permits a voter to
22 allocate multiple votes among eligible candidates.

23 (5) BALLOTS. All of the following apply to voting under this section:

24 (a) A member may vote only by casting a ballot as provided under s. 193.545

25 (3).

1 (b) The ballot shall be in a form prescribed by the board. ✓

2 (c) To cast a ballot by mail, a member shall mark the ballot for the candidate
3 chosen, seal the ballot in a plain envelope bearing the member's name and the words
4 "BALLOT ENCLOSED," or similar words, and enclose that envelope in another
5 envelope addressed to the cooperative. ✓ To cast an alternative ballot, a member shall
6 follow the procedure prescribed by the board. ✓

7 (d) If the ballot of the member is received by the cooperative on or before the
8 date of the election, or as otherwise prescribed for alternative ballots, and if all other
9 applicable requirements are satisfied the cooperative shall accept and count the
10 ballot as the vote of the absent member. ✓

11 (6) BUSINESS ENTITY MEMBERS MAY NOMINATE PERSONS FOR DIRECTOR. Any member
12 that is not an individual may nominate one or more individuals as candidates for
13 election as a director of the cooperative, unless the cooperative's articles or bylaws
14 provide otherwise. ✓

15 (9) COMPENSATION. Subject to any limitation in the articles or bylaws, the board
16 may fix the compensation of the directors, except that any outside director elected
17 under sub. (2) (b) may not receive any compensation other than authorized per diem
18 reimbursements. ✓

19 **193.415 Removal of directors.** All of the following apply, unless the articles
20 or bylaws provide otherwise:

21 (2) REMOVAL OF TEMPORARY DIRECTORS BY BOARD. A director who was appointed
22 by the board to fill a vacancy may be removed by the board at any time, with or
23 without cause, if all of the following apply: ✓

24 (a) The members have not elected directors in the interval between the time
25 of the appointment to fill the vacancy and the time of the removal. ✓

1 (b) A majority of the remaining directors present affirmatively vote to remove
2 the director. ✓

3 (3) REMOVAL OF DIRECTORS BY MEMBERS. A director may be removed at any time,
4 with or without cause, by the affirmative vote of the holders of a majority of the voting
5 power of membership interests entitled to vote at an election of directors, except that
6 a director who was elected solely by the patron members or the holders of a class or
7 series of membership interests, as provided in the articles or bylaws, may be removed
8 only by the affirmative vote of the holders of a majority of the voting power of the
9 patron members or of all membership interests of the class or series entitled to vote
10 at an election of that director, respectively. ✓

11 (4) ELECTION OF REPLACEMENT DIRECTORS. Notwithstanding s. 193.421, a
12 replacement director may be elected to serve out the remaining term of the removed
13 director at a meeting at which the director was removed. ✓

14 **193.417 Resignation of directors.** A director may resign by giving notice to
15 the board or the chairperson of the board. ✓ The resignation is effective without
16 acceptance upon receipt by the board or the chairperson of the board, unless the
17 notice specifies a later effective date. ✓

18 **193.421 Filling vacancies. (1) PATRON DIRECTORS.** If a vacancy occurs in the
19 office of a director who was elected solely by the patron members, as provided in the
20 articles or bylaws, ✓ or a new office of director is created for such a director, ✓ the board, ✓
21 in consultation with the other directors elected solely by the patron members, ✓ as
22 provided in the articles or bylaws, ✓ shall appoint a patron member of the cooperative
23 to temporarily fill the vacancy until a successor is elected at the next regular or
24 special members' meeting. ✓ An appointment under this subsection shall be by
25 majority vote of the remaining directors, regardless of whether there is a quorum

1 present. If there are no other directors elected solely by the patron members, as
2 provided in the articles or bylaws, at the time of the vacancy, the office shall remain
3 vacant and a special patron members' meeting shall be called to elect a successor. ✓

4 (2) NONPATRON DIRECTORS. Unless otherwise provided in the articles or bylaws,
5 if a vacancy occurs in the office of any director other than a director described in sub.
6 (1) ✓ or if a new office of director is created other than a new office described in sub. (1), ✓
7 the board shall appoint a director to temporarily fill the vacancy by majority vote of
8 the remaining directors, regardless of whether there is a quorum present. ✓ A
9 successor shall be elected at the next regular or special members' meeting. ✓

10 (3) TERM OF SUCCESSOR. Any successor elected under this section is elected for
11 the remainder of the unexpired term of the director whose vacancy the successor was
12 elected to fill. ✓

13 **193.423 Allocation of voting authority among directors.** (1) The voting
14 authority of the directors may be allocated according to allocation units or equity
15 classifications of the cooperative if any of the following conditions is satisfied: ✓

16 (1) (a) The directors elected by patron members have collectively at least 51
17 percent of the voting authority of the board on general matters of the cooperative.

18 (2) (b) The directors elected by patron members do not have, collectively, minority
19 voting authority on the board on general matters of the cooperative.

20 **193.425 Board meetings. (1) TIME AND PLACE.** Meetings of the board may be
21 held from time to time as provided in the articles or bylaws at any location that the
22 board selects or by any means described in sub. (2). ✓

23 (2) VIRTUAL MEETINGS AND ATTENDANCE. Meetings of the board may be held by
24 any means of communication through which the directors may simultaneously hear
25 each other during the meeting. ✓ A director may participate in a meeting of the board

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1 at which other directors are physically present by any means of communication
2 through which the director, all other directors so participating, and all directors
3 physically present may simultaneously hear each other during the meeting. ✓ The
4 number of directors physically present at a meeting, if any, shall be added to the
5 number of directors otherwise participating in the meeting under this subsection to
6 determine whether a quorum is present under s. 193.431, ✓ except that any director
7 who objects at the beginning of the meeting to the transaction of business because
8 the meeting is not lawfully called or convened and who fails to participate in the
9 meeting after the objection may not be considered as present at the meeting for
10 purposes of determining whether a quorum is present. ✓

11 (3) CALLING MEETINGS AND NOTICE. Unless the articles or bylaws provide for a
12 different time period and except as provided in s. 193.205 (3) and subs. (4) and (5),
13 a director may call a board meeting by giving at least 10 days' notice. ✓ The notice shall
14 state the date, time, and place of the meeting, except that, if the meeting is held under
15 sub. (2) and if no physical presence of directors at the meeting is intended, the notice
16 shall so state. If required under this chapter, the articles, or the bylaws, the notice
17 shall state the purpose of the meeting. ✓

18 (4) PREVIOUSLY SCHEDULED OR ADJOURNED MEETINGS. If the day, time, and place
19 of a board meeting are provided in the articles or bylaws, ✓ or announced at a previous
20 board meeting, ✓ no notice of the meeting is required. ✓ Notice that an adjourned
21 meeting will be reconvened need not be given other than by announcement at the
22 meeting at which adjournment is taken. ✓

23 (5) WAIVER OF NOTICE AND OBJECTION. A director may waive notice of a board
24 meeting. ✓ A waiver is effective whether given before, at, or after the meeting, and
25 whether given in writing, orally, or by attendance. ✓ Attendance by a director at a

1 board meeting is a waiver of notice of that meeting, unless the director objects at the
2 beginning of the meeting to the transaction of business because the meeting is not
3 lawfully called or convened and does not participate in the meeting after the
4 objection. ✓

5 (6) VOTING BY ABSENT DIRECTORS. If the articles or bylaws so provide, a director
6 may give advance written consent or opposition to a proposal to be acted on at a board
7 meeting. If the director is not present at the meeting, consent or opposition to a
8 proposal does not constitute presence for purposes of determining the existence of a
9 quorum. ✓ If the proposal to be acted on at the meeting is substantially the same or
10 has substantially the same effect as the proposal to which the director has consented
11 or opposed, the consent or opposition shall be counted as the vote of a director present
12 at the meeting in favor of or against the proposal and shall be entered in the minutes
13 or other record of action at the meeting. ✓

14 **193.431 Quorum; presence of objecting director.** Unless otherwise
15 provided in the articles or bylaws, a majority of the directors currently holding office
16 is a quorum for the transaction of business. ✓ Any director who objects at the beginning
17 of a board meeting to the transaction of business because the meeting is not lawfully
18 called or convened and who fails to participate in the meeting after the objection may
19 not be considered as present at the meeting for purposes of determining whether a
20 quorum is present. ✓ In the absence of a quorum, a majority of the directors present
21 may adjourn a meeting from time to time until a quorum is present. ✓ If a quorum is
22 present when a meeting is properly convened, the directors present may continue to
23 transact business until adjournment, even though the withdrawal of a number of
24 directors originally present leaves less than a quorum. ✓

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